

AMENDED IN SENATE JUNE 23, 2003

AMENDED IN ASSEMBLY MAY 1, 2003

AMENDED IN ASSEMBLY APRIL 3, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 214

Introduced by Assembly Member Shirley Horton

(Principal coauthor: Senator Chesbro)

(Coauthors: Assembly Members Chavez, Cogdill, Diaz, Dutton, Harman, Kehoe, Longville, Maze, Plescia, Runner, Spitzer, and Wyland)

(Coauthors: Senators Aanestad and Soto)

January 29, 2003

An act *to amend Section 1048 of, and to, add Section 1051 to the Military and Veterans Code, and to add and repeal Article 11.5 (commencing with Section 18826) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 214, as amended, Shirley Horton. Taxpayer contributions: Veterans Quality of Life Fund.

Provisions relating to the administration of personal income taxes allow individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the Veterans Quality of Life Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution

designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from that return.

This bill would provide for the expenditure of all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, for administrative costs and ~~the maintenance and operation of~~ *for distribution into the Morale, Welfare, and Recreation Fund for each of the veterans' homes, as provided.*

Existing law requires the administrator of the veterans' homes to provide an annual report for all moneys deposited into the fund and all expenditures from the fund. The report must be submitted to the Secretary of the Department of Veterans Affairs, the fiscal committees of the Assembly and the Senate, the committees of each house having jurisdiction over veterans affairs, and to the Veterans' Home Allied Council.

This bill would require the report for the Chula Vista Veterans Home to be submitted to the Chula Vista Veterans Home Support Foundation until the Veterans' Home Allied Council for the Chula Vista Veterans Home is established.

This bill would also provide that these voluntary contribution provisions are repealed on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. This bill would also repeal these provisions for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, and an adjusted amount for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. *Section 1048 of the Military and Veterans Code*
- 2 *is amended to read:*
- 3 1048. (a) The Morale, Welfare, and Recreation Fund shall
- 4 include proceeds from *the Quality of Life Fund pursuant to Section*
- 5 *1051, from operations of the Veterans' Home Exchange, revenue*
- 6 *derived from the issuance of prisoner-of-war special license plates*
- 7 *pursuant to Section 5101.5 of the Vehicle Code, all funds derived*
- 8 *from golf course green fees and range ball fees, all donations to the*
- 9 *fund, interest earned on invested funds, funds derived from the*

1 estates of deceased members, and any other moneys or property
2 described in this chapter, including, but not limited to, moneys and
3 properties received by the home from estate assets located outside
4 the home, regardless of amount.

5 (b) The administrator shall prepare an itemized report that is
6 organized by category and accounts for all funds deposited into the
7 Morale, Welfare, and Recreation Fund and transmitted to the
8 Controller under Section 1047 during the previous fiscal year and
9 shall submit the report on or before August 20 of each year to all
10 of the following:

11 (1) The secretary.

12 (2) The fiscal committees of the Assembly and the Senate.

13 (3) The committees of the Assembly and the Senate that have
14 subject matter jurisdiction over veterans' affairs.

15 (4) The Veterans' Home Allied Council.

16 *SEC. 2.* Section 1051 is added to the Military and Veterans
17 Code, to read:

18 1051. ~~(a)~~—There is hereby established in the State Treasury
19 the Veterans Quality of Life Fund to receive those amounts
20 transferred to the fund pursuant to Section 18827 of the Revenue
21 and Taxation Code.

22 ~~(b) The administrator shall prepare an itemized report that is~~
23 ~~organized by category and accounts for all expenditures made~~
24 ~~from moneys apportioned from the Veterans Quality of Life Fund~~
25 ~~during the previous fiscal year, and shall submit the report on~~
26 ~~before August 20 of each year to all of the following:~~

27 ~~(1) The secretary.~~

28 ~~(2) The fiscal committees of the Assembly and the Senate.~~

29 ~~(3) The committees of the Assembly and Senate that have~~
30 ~~subject matter jurisdiction over veterans' affairs.~~

31 ~~(4) The Veterans' Home Allied Council.~~

32 *SEC. 2.—*

33 *SEC. 3.* Article 11.5 (commencing with Section 18826) is
34 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
35 Taxation Code, to read:

36
37 Article 11.5. Veterans Quality of Life Fund
38

39 18826. (a) An individual may designate on the tax return that
40 a contribution in excess of the tax liability, if any, be made to the

1 Veterans Quality of Life Fund established by Section 1051 of the
2 Military and Veterans Code. That designation is to be used as a
3 voluntary contribution on the tax return.

4 (b) The contributions shall be in full dollar amounts and may
5 be made individually by each signatory on a joint return.

6 (c) A designation shall be made for any taxable year on the
7 initial return for that taxable year and once made is irrevocable. If
8 payments and credits reported on the return, together with any
9 other credits associated with the taxpayer's account, do not exceed
10 the taxpayer's liability, the return shall be treated as though no
11 designation has been made. If no designee is specified, the
12 contribution shall be transferred to the General Fund after
13 reimbursement of the direct actual costs of the Franchise Tax
14 Board for the collection and administration of funds under this
15 article.

16 (d) If an individual designates a contribution to more than one
17 account or fund listed on the tax return, and the amount available
18 is insufficient to satisfy the total amount designated, the
19 contribution shall be allocated among the designees on a pro rata
20 basis.

21 (e) The Franchise Tax Board shall revise the form of the return
22 to include a space labeled the "Veterans Quality of Life Fund" to
23 allow for the designation permitted. The form shall also include in
24 the instructions information that the contribution may be in the
25 amount of one dollar (\$1) or more and that the contribution shall
26 be used for veterans' homes operations.

27 (f) Notwithstanding any other provision of law, a voluntary
28 contribution designation for the Veterans Quality of Life Fund
29 may not be added on the tax return until another voluntary
30 contribution designation is removed.

31 (g) A deduction shall be allowed under Article 6 (commencing
32 with Section 17201) of Chapter 3 of Part 10 for any contribution
33 made pursuant to subdivision (a).

34 18827. There is in the State Treasury the Veterans Quality of
35 Life Fund to receive contributions made pursuant to Section
36 18826.

37 18828. The Franchise Tax Board shall notify the Controller of
38 both the amount of money paid by taxpayers in excess of their tax
39 liability, and the amount of refund money that taxpayers have
40 designated, pursuant to Section 18826 to be transferred to the

1 Veterans Quality of Life Fund established by Section 1051 of the
2 Military and Veterans Code. The Controller shall transfer from the
3 Personal Income Tax Fund to the Veterans Quality of Life Fund an
4 amount not in excess of the sum of the amounts designated by
5 individuals pursuant to Section 18826 for payment into that fund.

6 18829. All moneys transferred to the Veterans Quality of Life
7 Fund, upon appropriation by the Legislature, shall be allocated as
8 follows:

9 (a) To the Franchise Tax Board and the Controller for
10 reimbursement of all costs incurred by the Franchise Tax Board
11 and the Controller in connection with their duties under this article.

12 (b) To the Department of Veterans Affairs for allocation to the
13 administrators of veterans' homes pursuant to Section 1051 of the
14 Military and Veterans Code. Moneys allocated pursuant to this
15 ~~subdivision may only be used for nonrecurring events or items~~
16 ~~related to the maintenance or operation of the recipient facilities.~~
17 *subdivision shall be distributed proportionally to the Morale,*
18 *Welfare, and Recreation Fund of each veterans home pursuant to*
19 *Section 1047 of the Military and Veterans Code.*

20 (c) Appropriations from the General Fund for the funding of
21 those purposes described in subdivision (b) may not be reduced for
22 the purpose of, or to have the effect of, requiring increased
23 expenditures from the Veterans Quality of Life Fund for those
24 described purposes.

25 18830. It is the intent of the Legislature that this article create
26 an additional funding source for veterans' homes and shall be used
27 to supplement, not supplant, other funding sources for veterans'
28 homes.

29 18831. (a) This article shall remain in effect only until
30 January 1 of the fifth taxable year following the first appearance
31 of the Veterans Quality of Life Fund on the tax return, and as of that
32 date is repealed, unless a later enacted statute, that is enacted
33 before the applicable date, deletes or extends that date.

34 (b) If, in the second calendar year after the first taxable year the
35 Veterans Quality of Life Fund appears on the tax return, the
36 Franchise Tax Board estimates by September 1 that contributions
37 described in this article made on returns filed in that calendar year
38 will be less than two hundred fifty thousand dollars (\$250,000), or
39 the adjusted amount specified in subdivision (c) for subsequent
40 taxable years, as may be applicable, then this article is repealed

1 with respect to taxable years beginning on or after January 1 of that
2 calendar year. The Franchise Tax Board shall estimate the annual
3 contribution amount by September 1 of each year using the actual
4 amounts known to be contributed and an estimate of the remaining
5 year's contribution.

6 (c) For each calendar year, beginning with the third calendar
7 year that the Veterans Quality of Life Fund appears on the tax
8 return, the Franchise Tax Board shall adjust, on or before
9 September 1 of that calendar year, the minimum estimated
10 contribution amount specified in subdivision (b) as follows:

11 (1) The minimum estimated contribution amount for the
12 calendar year shall be an amount equal to the product of the
13 minimum estimated contribution amount for the prior September
14 1 multiplied by the inflation factor adjustment as specified in
15 paragraph (2) of subdivision (h) of Section 17041, rounded off to
16 the nearest dollar.

17 (2) The inflation factor adjustment used for the calendar year
18 shall be based on the figures for the percentage change in the
19 California Consumer Price Index received on or before August 1
20 of the calendar year pursuant to paragraph (1) of subdivision (h)
21 of Section 17041.

22 (d) Notwithstanding the repeal of this article, any contribution
23 amounts designated pursuant to this article prior to its repeal shall
24 continue to be transferred and disbursed in accordance with this
25 article as in effect immediately prior to that repeal.

26 *SEC. 4. Notwithstanding subdivision (b) of Section 1048 of*
27 *the Military and Veterans Code, the report required to be submitted*
28 *to the Veterans' Home Allied Council pursuant to paragraph (4)*
29 *of subdivision (b) of Section 1048 of the Military and Veterans*
30 *Code for the Chula Vista Veterans Home shall instead be submitted*
31 *to the Chula Vista Veterans Home Support Foundation until the*
32 *establishment of a Veterans' Home Allied Council for the Chula*
33 *Vista Veterans Home. After the establishment of the Veterans'*
34 *Home Allied Council for the Chula Vista Veterans Home, the*
35 *report required by paragraph (4) of subdivision (b) of Section 1048*
36 *of the Military and Veterans Code shall be submitted to that*
37 *Veterans' Home Allied Council.*